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to the people by the legislature at a regular election every twenty years. Next year is the time for this referendum to be taken. A majority of those voting at the election must pronounce in the affirmative in order to institute such a body, just as a majority of those voting is necessary to ratify any amendment to the constitution. The indifference of the ordinary voter upon such constitutional questions has hitherto been responsible for blocking every effort to call a convention. It is now proposed, and a bill to that effect has been introduced, to count as voting affirmatively on the question of a convention all straight party tickets when the voter has made his cross in the circle at the head of the ticket, provided the calling of the constitutional convention has been endorsed by the party convention. Should the constitutionality of this measure be established there seems little doubt that Ohio will have next year an opportunity to effect a total revision of her fundamental law.

THE FEDERAL INCOME TAX. The recommendation of Governor Harmon that the federal constitutional amendment, empowering congress to impose a uniform income tax be ratified by the Ohio legislature appears to have not been favorably received. The Senate finance committee has thus far persistently refused to report a resolution to that effect and it is understood no such resolution will be reported. Governor Hughes' opinion on the question seems to be decisive with the republicans of the Ohio general assembly.

WALTER JAMES SHEPARD

Pensions: Report of Massachusetts Commission on. The report of the commission on old age pensions, annuities and insurance, presented in January (Mass., 1910, House Doc. 1400), is now available. It is a thorough study of the whole field with relation to conditions in that commonwealth, and gives material for careful study. Whether or not one agrees with all the conclusions reached (and while the general report, final conclusions and all, is signed by all five commissioners, there are appended three dissenting statements by two of them), still the extent of the work must be appreciated. That part of the discussion which seems somewhat unsatisfactory is with regard to the wages question and the standard of living. However, the statement of the commission itself (p. 248) must be borne in mind: "While it is thus extremely difficult to answer the preliminary question as to what constitutes a living wage, it is practically impossible to answer the further question as to whether the wage earners as a class now receive a living wage. The data required to determine this point conclusively are not available. Such wage statistics as are to be had for the United States and for this common-

wealth do not afford a basis for a decisive pronouncement on the question under consideration; they merely serve to indicate broadly the general level of wages."

The scope of the inquiry is indicated by the statement of the three general questions into which the work is analyzed.

1. What are the various systems of old age pensions, insurance or annuities proposed or adopted in this commonwealth or elsewhere?

2. Is it advisable to establish a system of old age insurance, pensions or annuities in this commonwealth?

3. As a special phase of the preceding question, what would it cost to take such action?

With these three questions to be answered the commission analyzed the subject matter for study as follows:

- a. Universal non-contributory pension schemes.
- b. Partial non-contributory pension schemes (England, Australia).
- c. Compulsory contributory insurance with state subsidy (Germany).
- d. Voluntary contributory insurance with state subsidy (Belgium).
- e. Voluntary insurance under state administration (Canada, Massachusetts).
- f. Voluntary insurance under private management.

Not only did the commission study the governmental schemes referred to, but also the various police, firemen and teachers' pensions schemes illustrated in many cities, and various private schemes of railroads and industrial corporations.

The Baltimore and Ohio Railroad Company established a pension scheme in 1884 and "since 1898 there has been a rapid extension of private pension and insurance systems." The commission presents information obtained relative to fifty such plans in actual operation.

In the field of governmental systems Germany was the first in 1889; then came Denmark in 1891, and in the ten years beginning 1898 a number of foreign countries adopted such systems. No American state has entered the field at all, and indeed, though the question is one of much present discussion and destined to require careful study and probably some solution in the not distant future, no comprehensive inquiry has been authorized by any State before this one.

The fundamental questions proved to be reducible to these:

- Contributory or non-contributory.
- Compulsory or voluntary.
- Universal or partial.

The commission (with two members dissenting) declares against pension schemes of a non-contributory character, (p. 300) on the grounds of: (1) the heavy expense, (2) the enervating influence on character, (3) the disintegrating effect on the family, and (4) the depressing effect upon wages. The dissent noted is not only to this general conclusion as such, but also to the force of the arguments used in reaching it. The commission further concludes (p. 310) that "the adoption of any scheme of compulsory insurance in this state appears to be inexpedient at the present time," though there is the admission that "it is conceivable that the final solution of the problem of old age insurance may be found in some system of obligatory state insurance." One member, however, dissents from such a statement as the last quoted (p. 333). The commission having thus concluded that if a scheme were to be adopted, it should be contributory and voluntary, the third question becomes "relatively unimportant." While participation should be universally open, experience seems to show that practically such a plan would never become universal in application (p. 314).

With these three general conclusions reached, the commission then recommends (p. 316) retirement schemes for state, for county and for municipal employees, which shall be contributory, coöperative, and compulsory upon those entering the service after the adoption of the system. With regard to any general plan, however, the commission holds that "it would be inexpedient for Massachusetts or any other state to adopt a system of old age pensions, either at the present or at any time in the future." This is sweeping, but the commission is settled upon its decision, which moreover is without dissent, that such action, if taken at all, should be taken by the national government. The savings bank insurance plan should be given a thorough test, and problems of sickness and accident insurance should receive attention.

The "constructive recommendations" of the commission are summarized as follows:

1. That "thrift" be included among subjects of compulsory instruction in the public schools.
2. Urges upon the attention of employers and employed the opportunities of the savings bank insurance system.
- 3 Urges the enactment of a law authorizing employers and employees to form associations for payment of pensions and annuities from funds formed by joint contribution. (From this recommendation, however, two members dissent.)

4. Directs attention to old age insurance offered by industrial insurance companies.

5. Suggests that "in due time" fraternal beneficiary societies be authorized by law to pay old age benefits.

6. Enactment of measures providing retirement benefits for public employees.

7. Finally, recommends establishment of a permanent unpaid commission on old age pensions and insurance.

The commission has done great service in bringing this material together, and giving it an evidently careful and painstaking study, whether or not its ultimate conclusions appeal to all. The spirit of its work can well be shown by the final paragraph of the report which may be quoted. "The fundamental purpose of the recommendations thus offered is to promote the habit of thrift and to extend the usefulness of agencies that furnish opportunity to provide, by individual saving, against old age. Thus far only a beginning has been made in this field. Until the possibility of existing thrift institutions has been developed to the limit of their effectiveness, it is premature to consider resort to non-contributory state pensions or compulsory state insurance. Whatever the ultimate policy may be which the American states will work out in this field of social legislation, it is obviously desirable to build up, by every practical expedient, the habit of voluntary saving and the facilities provided for its exercise. Even if it should appear eventually that these means are inadequate to the final solution of the problem of old age dependency, the development of such thrift agencies will furnish a solid foundation upon which to build a general scheme of state pensions, annuities or insurance."

C. B. LESTER.

Public Utilities Law: New Jersey. The recent New Jersey public utilities act transforms the existing state railroad commission into a state board of public utility commissioners and extends its jurisdiction so as to embrace general supervision over all public utilities, including every railroad, express, street railway, traction, canal, subway, gas, electric light, heat and power, water, sewer, telephone, telegraph, pipe line or other company operating within the state for public use. Although the act does not give the board rate-making powers, it provides that the board may examine complaints concerning rates charged by any public service company and make such "recommendations" as it may see fit